

test, as determined by Buyer. Provided that the initial delivery of Market Hogs passes the cutting test, each subsequent delivery of Market Hogs shall meet or exceed the standards established by the initial cutting test.

- (c) **Quality Improvements.** In addition to Seller's obligation to meet the foregoing specifications, Seller shall, if requested by Buyer, implement programs to improve the quality of the Market Hogs and/or Buyer's ability to sell pork products produced from the Market Hogs (e.g., a farm hazard analytical control point program, an ISO 9000 program, etc.); provided, however, that any such program does not adversely affect Seller's ability to produce Market Hogs in accordance with the specifications of this Contract.

ARTICLE 5 - SCHEDULING HOG SHIPMENTS

Section 5.01

All Market Hogs purchased hereunder shall be delivered by Seller, freight prepaid by Seller (subject to the provisions set forth in Section 5.03 below), to slaughter facilities, designated from time to time by Buyer. Title to and risk of loss of the Market Hogs shall pass from Seller after weighing of the carcasses at the hot weight scale at such slaughter facility. For purposes of this Contract, delivery means the unloading of the Market Hogs with the freight charges paid by Seller from Seller's Designated Production Facilities. Deliveries of Market Hogs shall be made as specified by Buyer, including deliveries on Saturdays and/or Sundays.

Section 5.02

Seller shall use its best efforts to ship and deliver to Buyer, the quantity of Market Hogs, excluding Excess Market Hogs, on an equal weekly basis. Seller shall notify Buyer at the beginning of each fiscal quarter, of the projected quantity of Market Hogs (including Excess Market Hogs) to be shipped and delivered by Buyer, on a monthly basis, for the current fiscal quarter and the subsequent fiscal quarter. If Seller fails to ship and deliver the Market Hogs (including Excess Market Hogs) to Buyer in accordance with such notification(s), for a period of 13 consecutive weeks, then Buyer may, in addition to all other right and remedies that Buyer may have, price the Market Hogs (including Excess Market Hogs) at the lower of (i) the Contract price, as determined under the first paragraph of Section 7.01 (by way of clarification, this provision shall specifically apply to the Excess Market Hogs, notwithstanding that the Contract price of Excess Market Hogs would otherwise be determined by the second paragraph of Section 7.01), or (ii) the base cash price, per carcass cwt., as offered by Buyer at its plant on the day of delivery of the Market Hogs (and/or the Excess Market Hogs), plus or minus (as the case may be), the Carcass Merit Adjustment. Further, if Seller fails to ship and deliver Market Hogs (including Excess Market Hogs) to Buyer, in accordance with such notification(s), for a period of 26 consecutive weeks, then Buyer may, in addition to all other rights and remedies that Buyer may have, terminate this Contract.